

Date of Hearing: May 5, 2020

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Ed Chau, Chair

AB 2811 (Berman) – As Amended May 4, 2020

AS PROPOSED TO BE AMENDED

SUBJECT: Advertising: automatic renewal and continuous service offers: notice and online termination

SUMMARY: This bill would require a business that makes an automatic renewal or continuous service offer to a consumer to provide the consumer with three to seven days' notice before the expiration of a free gift or trial, or temporary or promotional price, included with the offer, and would require these businesses to streamline the cancellation process. Specifically, **this bill would:**

- 1) Make unlawful the failure to provide a consumer with a notice explaining how to cancel an automatic renewal offer or continuous service offer if either of the following are true:
 - the consumer accepted a free gift or trial, lasting for a predetermined period of time, that was included in an automatic renewal offer or continuous service offer; or
 - the consumer accepted an automatic renewal offer or continuous service offer at a promotional or discounted price, and the applicability of that price was limited to a predetermined period of time.
- 2) Specify that the notice pursuant to 1) shall be provided at least three days and at most seven days prior to the expiration of the predetermined period for which the free gift or trial, or promotional or discounted price, applies.
- 3) Require that a business that allows a consumer to accept an automatic renewal or continuous service offer online permits that consumer to terminate the offer online, at will, and without engaging any further steps that impact or restrict the consumer's ability to terminate the automatic renewal or continuous service immediately.
- 4) Provide that a business shall, pursuant to 3), provide a method of termination that is either on the internet website in the form of a direct link or button to cancel, or by a termination email formatted and provided by the business that a consumer can send to the business without additional information.
- 5) Specify that if the notice pursuant to 1) is sent electronically, the notice shall include a link that directs the consumer to the cancellation process.
- 6) Make other technical, clarifying, or otherwise non-substantive changes.

EXISTING LAW:

- 1) Pursuant to the federal Restore Online Shoppers' Confidence Act, prohibits any person from charging or attempting to charge any consumer for any goods or services sold in a transaction effected on the internet through a negative option feature (i.e., opt-out), and

requires that the person discloses the material terms of the transaction before obtaining a consumer's billing information, that the person obtains the consumer's express informed consent before charging the consumer's method of payment for products or services through that transaction, and that the person provides simple mechanisms for a consumer to stop recurring charges from being placed on their method of payment. (15 U.S.C. Sec. 8403.)

- 2) Expresses the intent of the Legislature to end the practice of ongoing charging of consumer credit or debit cards or third party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service. (Bus. & Prof. Code Sec. 17600.)
- 3) Prohibits a business making an automatic renewal offer or continuous service offer (henceforth referred to as "offer") to a consumer from failing to present the offer terms in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer. (Bus. & Prof. Code Sec. 17602(a)(1).)
- 4) Requires, if an offer includes a free gift or trial, that the offer include a clear and conspicuous explanation of the price that will be charged after the trial ends or the manner in which the subscription or purchasing agreement pricing will change upon the conclusion of the trial. (*Ibid.*)
- 5) Prohibits a business from charging the consumer's credit or debit card, or the consumer's account with a third party, for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the offer terms, including the terms of an offer that is made at a promotional or discounted price for a limited period of time. (Bus. & Prof. Code Sec. 17602(a)(2).)
- 6) Provides that in any case in which a business sends any products to a consumer under a continuous service agreement or automatic renewal of a purchase without first obtaining the consumer's affirmative consent, the products shall be deemed an unconditional gift to the consumer without any obligation whatsoever on the consumer's part to the business. (Bus. & Prof. Code Sec. 17603.)
- 7) Prohibits a business from failing to provide an acknowledgement that includes the offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. (Bus. & Prof. Code Sec. 17602(a)(3).)
- 8) Requires, if the offer includes a free gift or trial, that the business also disclose in the acknowledgement how to cancel, and allow the consumer to cancel, the offer before the consumer pays for the goods or services. (*Ibid.*)
- 9) Requires a business that makes an offer to provide a toll-free telephone number, email address, postal address if the seller directly bills the consumer, or another cost-effective, timely, and easy-to-use mechanism for cancellation that is described in the acknowledgement. (Bus. & Prof. Code Sec. 17602(b).)
- 10) Requires that a consumer who accepts an offer online be allowed to terminate the service exclusively online. (Bus. & Prof. Code Sec. 17602(c).)

- 11) Requires that, in the case of a material change in the terms of an automatic renewal or continuous service that has been accepted by a consumer, the business shall provide the consumer with a clear and conspicuous notice of the material change and provide information regarding how to cancel in a manner that is capable of being retained by the customer. (Bus. & Prof. Code Sec. 17602(d).)
- 12) Exempts from the provisions described above certain services, including: any service provided pursuant to a franchise issued by a political subdivision, as specified; any service provided by a business or its affiliate where either is regulated by the CPUC, the Federal Communications Commission, or the Federal Energy Regulatory Commission; any entity regulated by the Department of Insurance; alarm company operators; financial institutions; and service contract sellers and administrators regulated by the Bureau of Electronic and Appliance Repair. (Bus. & Prof. Code Sec. 17605.)

FISCAL EFFECT: None. This bill has been keyed nonfiscal by the Legislative Counsel.

COMMENTS:

- 1) **Purpose of the bill:** This bill seeks to protect consumers from unexpected and unwanted charges for automatic renewal or continuous services by requiring businesses to give three to seven days' notice before the expiration of a free gift or trial or a period of service provided at a promotional or discounted price, and by allowing a consumer to cancel an automatic renewal or continuous service online immediately and at any time, without onerous cancellation requirements. This bill is author sponsored.
- 2) **Author's Statement of Criticality:** In response to the unique constraints the COVID-19 crisis has placed on the legislative process, this Committee elected to focus attention this session on bills that address urgent issues and issues critical for an efficient recovery from the pandemic. In order to prioritize bills that require immediate attention, the Committee asked the author of each bill to provide a Statement of Criticality explaining the applicability of one or more of the following criteria to that bill:
 - the bill addresses a problem that was created by, or has been significantly exacerbated by, the ongoing public health crisis due to COVID-19, or the response thereto;
 - the bill addresses an urgent problem that presents a threat to the safety and security of Californians and must be resolved immediately; or
 - the bill makes a technical change to an existing program or function that must be immediately adopted to preserve the utility of that program or function.

In response, the Author writes:

At a time when people's personal finances have been completely upended, many individuals and families may be looking for ways to save money by cancelling subscriptions for goods and services (I.e. ClassPass, Spotify, Bark Box, and Stitch Fix). Unfortunately many businesses use a variety of tactics to make cancelling subscriptions inconvenient, confusing, time consuming, or otherwise difficult. During this economic crisis, it is vitally important that we make it easier for consumers to exercise their right to cancel a subscription they may no longer be able to afford.

The Committee agrees that the issue addressed by this bill is timely and critical under the current circumstances. Since the effort to stave rising infection and death rates from the COVID-19 pandemic has settled on shelter-in-place orders as a key tenet of the public health response, subscription services providing entertainment, food, and other amenities have seen a dramatic increase in demand.

According to a report from the performance branding company WITHIN which has been tracking the effects of COVID-19 on ecommerce by sector, subscription services, along with household goods and groceries, have far outpaced benchmark ecommerce performance.¹ In part, this increase in subscription services has likely resulted from general changes in lifestyle which have broadly affected consumption patterns², but it has also undoubtedly resulted in part from marketing efforts by these services.

Clearly, subscription services are becoming more pervasive in our daily lives, and free trials and promotional offers during this collective isolation have enticed many more to come on board. But this increase in subscriptions, temporarily free or otherwise, may come at a serious cost to many consumers.

The aforementioned uptick in subscriptions is paradoxically coming at a time during which the United States as a whole is experiencing a monumental economic downturn resulting from stalled commerce during the pandemic. The United States economy experienced losses equivalent to 4.8 percent of GDP in the first quarter of this year, the largest single-quarter loss in revenue since the 2008 global financial crisis. This economic downturn reflects a broader global downturn that could have lasting repercussions for the financial wellbeing of consumers for the foreseeable future. This is especially likely in light of the more than 26 million people across the country who have filed for unemployment since mid-March.³ As the author notes, these circumstances are likely to lead many Californians, as well as Americans and consumers across the globe, to look for ways to cut spending, including by cancelling subscription services to curb non-essential expenditures. These circumstances, coupled with the explosion of free trials, promotional offers, and new subscriptions, makes it imperative to provide sufficient consumer protections for these types of transactions. This bill seeks to facilitate the cancellation process for automatic renewal and continuous service offers, i.e. subscription services, by requiring notice of expiration of a free trial, gift, promotion, or discount, and by minimizing the complexity of cancellation. The Committee sees this as an issue requiring immediate attention in light of the rise in subscriptions and temporary promotional offers coinciding with widespread financial hardship resulting from the COVID-19 crisis.

- 3) **Automatic renewal and continuous service offers may add convenience to service agreements, but may also be abused to the detriment of consumers:** Automatic renewal service agreements and continuous service agreements are two forms of contracts for the provision of services that continue indefinitely unless the one of the parties intervenes to terminate the agreement. In the case of automatic renewal agreements, the service is

¹ Susan Meyer, "Understanding the COVID-19 Effect on Online Shopping Behavior," *BigCommerce*, <https://www.bigcommerce.com/blog/covid-19-ecommerce/#understanding-panic-buying-and-coronavirus>.

² *Ibid.*, fn. 3.

³ "Coronavirus: US economy shrinks at fastest rate since 2008," *BBC News*, Apr. 29, 2020, <https://www.bbc.com/news/business-52466864>.

provided, and remuneration is garnished, for a definite term, but a new term begins automatically following one's expiration unless renewal is actively declined. Continuous service agreements lack a definite term, and instead continue indefinitely until a party actively terminates the agreement. In practice, these agreements often involve regular charges on a monthly or even yearly basis (e.g. media streaming services, health clubs, magazines), though other models exist where a fixed quantity of a good or service dictates the regularity of charges (e.g. FasTrak for toll booths).

With the potential the internet and improved logistics technology have provided for remote services and regular shipment, these types of agreements (henceforth referred to collectively as "auto-renewals") have increasingly pervaded most aspects of daily life. Many mobile applications are subscription-based, ranging from health and fitness apps to geographic information systems apps. Put simply, Californians have come to rely on subscription services for a plethora of good and services, including meal/ingredient delivery, entertainment, clothing selection and procurement, and even the regular replenishment of household goods, and a significant portion of these subscription services employ an auto-renewal model.

Auto-renewal is viewed by businesses as a valuable tool for both the business and the consumer, as it allows the consumer to maintain uninterrupted, and often highly convenient access to a good or service that they want or need, without the hassle of repeatedly submitting payment information. For businesses, auto-renewal facilitates the practicalities of customer retention. However, many consumer advocates contend that auto-renewals place a burden on consumers and are prone to abuse, both because consumers are often uninformed as to, or fail to fully comprehend, the nature of the agreement, and because the process for cancelling these agreements can be confusing, needlessly complex, or otherwise onerous.

- 4) **SB 340 (Yee, 2009) and SB 313 (Hertzberg, 2017) expanded consumer protections relating to auto-renewal, but left space for further improvement:** In 2009, Governor Schwarzenegger signed into law SB 340 (Ch. 350, Stats. 2009), which established the intent of the Legislature to "end the practice of ongoing charging of consumer credit and debit cards or third party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service." SB 340 defined several terms relating to automatic purchase renewals for the first time in California law, including the terms "automatic renewal" and "continuous service," and prohibited a wide array of exploitative practices relating to these agreements.

Specifically, SB 340, *inter alia*, rendered it unlawful for businesses making automatic renewal or continuous service offers to consumers in this state to do any of the following:

- Fail to present the offer terms in a *clear and conspicuous* manner, as defined, before the agreement is fulfilled and in close visual or temporal proximity to the request for consent to the offer. (Bus. & Prof. Code Sec. 17602(a)(1).)
- Charge the consumer's method of payment for an auto-renewal service without first obtaining the customer's affirmative consent to the terms of the agreement. (Bus. & Prof. Code Sec. 17602(a)(2).)

- Fail to provide an acknowledgement that includes the offer terms, cancellation policy, and information regarding how to cancel *in a manner that is capable of being retained by the consumer*. (Bus. & Prof. Code Sec. 17602(a)(3).)
- If the offer includes a free trial, fail to disclose in the acknowledgement how to cancel the service or fail to allow the consumer to cancel before the consumer pays for the goods or services. (*Ibid.*)
- Fail to provide a toll-free telephone number, email address, postal address (if the seller directly bills the consumer), or another cost-effective, timely, and easy-to-use mechanism for cancellation. (Bus. & Prof. Code Sec. 17602(b).)
- Fail to provide the consumer with clear and conspicuous notice of any material change in the terms of the offer that has been accepted by the consumer. (Bus. & Prof. Code Sec. 17602(c).)

Though SB 340 provided broad protections pertaining to auto-renewal agreements, some problematic practices, many of which are associated with free trials and promotional rates, were still identified in this space that were not regulated by its provisions. Businesses often provide free gifts, trials, promotions, or discounts in order to entice consumers to become fully paying customers, but many have apparently also exploited this practice to lull consumers into incidental charges as the trial transitions without notice into a paid subscription. SB 340 required that a business provide an acknowledgement to the consumer disclosing how to cancel the subscription with any free trial, and required that the consumer has an opportunity to cancel before paying for the goods or services. (Bus. & Prof. Code Sec. 17602(a)(3).) However, SB 340 did not specify the nature of the cancellation process. Following the passage of SB 340, several California court cases highlighted abuse of this omission. In 2014, the Santa Cruz and Santa Clara Counties' District Attorneys' Offices reached a \$1.8 million settlement with an online fashion retailer that imposed monthly fees on users of their website along with an extraordinarily difficult-to-use cancellation process, leading many to incur charges following free trial periods. In 2015, a \$2.5 million settlement was reached against LifeLock for failing to provide proper acknowledgement of the terms of the trial and the cancellation process alongside the offer, and the same year, an \$80 million class action against security software company McAfee contended that the company used auto-renewal to improperly increase subscription prices.

In response to these ongoing issues, in 2017, Sen. Hertzberg introduced SB 313 (Ch. 356, Stats. 2017), which aimed to further protect consumers from harmful practices associated with auto-renewal. The bill provided that if an automatic renewal offer or continuous service offer includes a free gift or trial, the offer must include a clear and conspicuous explanation of the price that will be charged after the trial ends or the manner in which the pricing of the agreement will change upon conclusion of the trial. The bill also required that a consumer who accepts an auto-renewal offer online must be permitted to terminate the service exclusively online.

Though absent from the chaptered law, earlier versions of SB 313 initially included a provision that would have required a business to provide a customer who has accepted an auto-renewal offer as part of an introductory or new customer offer, or free gift or trial, three to seven days' notice before the first charge to the consumer is made. It also would have

required that, if provided electronically, the notice include a link that directs the consumer to the cancellation process. These provisions, among others, were removed from SB 313 in this Committee; the Committee Analysis contended:

[The notice requirement] appears to be premised on a business model where a service is billed on a monthly (or longer) basis. However, not all auto-renewal contracts operate temporally. For example, the FasTrak transponder system used to electronically pay bridge tolls in the Bay Area uses auto-renewal to draw a fixed amount of money from a credit card into a driver's account, and deducts from that account whenever the consumer crosses a bridge. When the account begins to run low, FasTrak automatically charges the user's credit card and replenishes the account. However, because FasTrak's auto-renewal function is based on consumption rather than time, a user could run down their account but be unable to auto-renew for at least three days because a notice would be required before the account could be replenished.

- 5) **The bill in print seeks to implement a modified version of the notice requirement from SB 313, with an exemption for consumption-based auto-renewal services:** AB 2811 reintroduces the provision struck from SB 313 that required three to seven days' notice before charging the consumer following a free trial or gift, or promotional or discounted rate. To address the aforementioned concern identified in this Committee's analysis of SB 313, the author of AB 2811 included the following provision:

Sec. 17602(a)(4)(B) This paragraph shall not apply to a business if it charges the consumer on a consumption basis according to their usage of the goods or services.

It is likely that a consumption-based model would make it difficult to comply with a three to seven day notice requirement before charges are made, particularly since a promotion that expires based on the consumption of a specified quantity of goods or services may expire unexpectedly or abruptly depending on the behavior of the consumer. For instance, a consumer who is entitled to half off of their first ten bottles of wine after subscribing to a wine club may buy all ten bottles on the first day, or may buy one bottle, then wait several weeks before buying the second. Either way, it would be difficult for the business to accommodate the notice requirement, since the narrow window the statute permits for notice may not be predictable or may not exist at all.

The provision included by the author to address this consideration resolves that concern in some but not all cases, while excluding some cases where inclusion would be consistent with the intent of the bill. This provision would indeed exempt FasTrak and similar services from the notice requirement. However, it would not exempt from the notice requirement a promotional offer that is based on consumption, while the product itself is not. Consider, for instance, a membership to an online clothing retailer's loyalty program that confers 50 percent off the cost of all clothing purchased from that retailer, for a monthly fee of \$20 per month. The service provided here is not based on consumption, since the price of the membership is the same regardless of use. If the retailer were to entice customers to join that loyalty program by offering 75 percent off of the first ten items purchased, however, the retailer would nonetheless face the same difficulty with timing the notice for the expiration of this promotion as would FasTrak (i.e. the consumer could purchase all promotional items on the first day, or spread those purchases over two months, making the three to seven day window would be unpredictable or nonexistent). Still, because the service is not

consumption-based, the retailer would have to comply with the notice requirement in this bill.

On the other hand, the bill also exempts trials and offers for consumption-based products where the promotion is time-limited and could warrant compliance with the notice requirement. If FasTrak, for example, were to provide a promotional offer that entitled consumers to half off of each toll fare for the first month, the notice requirement could be accommodated, and, consistent with the intent of the bill, arguably should be accommodated, since the expiration of the promotion is predictable to the business, and may elude the memory of the consumer. In short, it appears to be the basis of the promotion, rather than the basis of the product, which dictates the ability to comply with the notice requirement. The author has accordingly agreed to amendments to apply the notice requirement only to gifts, trials, promotions, or discounts that apply for a predetermined period of time, rather than providing a specific exemption for consumption-based products. (*See Comment 7a*)

- 6) **Opponents contend that requirements to streamline cancellation are unworkably vague:** The author has also expanded on the protections sought in SB 313 by further prescribing the nature of the cancellation process when a consumer, pursuant to SB 313, pursues cancellation online. Specifically, the bill requires that if a business allows a consumer to accept an auto-renewal service offer online, they must also allow the consumer to cancel the service exclusively online, *at will, and without engaging any further steps that impact or restrict the consumer's ability to terminate the [auto-renewal] service immediately*. The bill also specifies that this capability must be provided either in the form of a direct link or button on the website, or a pre-drafted and formatted termination email provided by the business that can be sent to the business without supplying any additional information.

Opponents argue that the meanings of “immediately” and “without engaging any further steps” are vague, and make it unclear whether a business can require the consumer to authenticate prior to cancellation. Opponents also point out that in many cases, businesses elect to reach out to the consumer before completing cancellation to negotiate possible customer retention through additional discounts, and this would preclude that practice. This latter point would be difficult to address in a consumer protective manner, however, since the time taken to complete the negotiation process could lead to accrual of additional charges, and the process adds an additional burden to a consumer who is certain they wish to cancel.

The former point, i.e. authentication, may indeed require attention. To prohibit a person other than the consumer from cancelling the service against the consumer's wishes, businesses typically authenticate the consumer, either by requiring them to sign in to their account, or by requiring a response from a provided method of contact. Depending on interpretation, the language requiring immediate cancellation without engaging any further steps could prohibit this practice. As such, as the bill moves through the legislative process, the author may wish to consider providing for the minimum steps and time necessary to complete authentication performed in good faith before requiring cancellation.

Opponents also point out that the button/email mandate may be overly prescriptive and prevent creative solutions that are even more consumer-friendly for cancellation. It is difficult at this time to imagine a mechanism for cancellation easier to carry out than the

click of a button, but the law could be amended as necessary to permit these new solutions as they develop.

Finally, opponents identify the inability for businesses providing promotions/trials lasting fewer than three days to comply with the notice requirement. This could be easily addressed by exempting shorter trials and promotions from this requirement. The author additionally may wish to consider exempting trials and promotions shorter than seven days from the notice requirement of this bill.

- 7) **As proposed to be amended:** The author has agreed to the following substantive amendments to the bill in print:
- Apply the notice requirement only to offers including promotions lasting for a predetermined period of time: To address the inconsistency of the included exemption from notice requirements for consumption-based products (*see* Comment 5), the author has agreed to amend the bill to base the exemption on the nature of the promotional offer rather than the nature of the product. Rather than exempting consumption-based products, the bill as proposed to be amended only applies the notice provisions to free gifts or trials that last for a predetermined period of time, or promotional or discounted prices where the applicability of the price is limited to a predetermined period of time.
 - Tie the timing of the notice to the expiration of the promotion rather than the first charge on the method of payment: Both the early drafts of SB 313 and the bill in print require(d) that notice be provided three to seven days prior to the first charge on the method of payment. However, the bill in print includes promotional and discounted prices as circumstances that require notice. These circumstances would potentially result in a charge to the method of payment upon acceptance of the agreement, albeit for a lesser amount. Providing notice three to seven days before this event would be infeasible, and even if it were possible, would not accomplish the intent of the bill, as it would hardly serve as a reminder for cancellation if desired. Additionally, many free trials will charge a very small amount (e.g. \$0.01) to the method of payment provided by the consumer in order to verify its legitimacy. Again, linking the timing of the notice to this payment would not accomplish the intent of the bill. The bill as proposed to be amended ties the timing of the notice to the expiration of the gift, trial, promotion, or discount, rather than to the first charge, in an attempt to resolve this issue.
 - Non-substantive changes to the structure of the bill to improve clarity of language.

Author's amendments:

On page 3, strike lines 21-32, inclusive, and insert:

(4)(A) Fail to provide a consumer with a notice explaining how to cancel an automatic renewal offer or continuous service offer if either of the following are true:

(i) The consumer accepted a free gift or trial, lasting for a predetermined period of time, that was included in an automatic renewal offer or continuous service offer; or

(ii) The consumer accepted an automatic renewal offer or continuous service offer at a promotional or discounted price, and the applicability of that price was limited to a predetermined period of time.

(B) The notice pursuant to subparagraph (A) shall be provided at least three days and at most seven days prior to the expiration of the predetermined period for which the free gift or trial, or promotional or discounted price, applies.

(C) If the notice pursuant to subparagraph (A) is sent electronically, the notice shall include a link that directs the consumer to the cancellation process.

- 8) **Arguments in support:** The California Low-Income Consumer Coalition (CLICC), a statewide coalition of legal aid providers, contends that the AB 2811 is especially critical in light of the fallout from the COVID-19 crisis. CLICC argues:

From music streaming to meal kits, to diet, dating, and fitness apps, more and more consumers are subscribing to products and services online. In response to the economic impact of COVID-19, many Californians are searching for ways to save money. One of the first places they have turned is to cancel subscriptions for goods and services that they rarely or never use. Unfortunately, many businesses use a variety of tactics to make cancelling subscriptions inconvenient, confusing, time-consuming, or otherwise difficult. During these challenging times, it is especially important that consumers can easily cancel subscriptions that they may no longer be able to afford.

The Consumer Federation of California, a consumer advocacy organization, outlines the problem AB 2811 seeks to address, and argues:

AB 2811 expands upon [SB 313] by ensuring that customers can cancel online without having to go through any extra steps. Some companies have an online cancellation process that is so cumbersome and complex that calling or texting the company are the only real options.[...] AB 2811 [also takes SB 313] a step further by ensuring that customers are given a few day notice before being charged the full price. Some companies offer free trials that last weeks or months making it likely that customers will forget to cancel their subscription before charges begin.

The Office of the District Attorney of Alameda County adds:

In our investigations, we have seen examples of businesses forcing consumers to “jump through hoops,” so to speak, by completing several unnecessary and time-consuming steps in order to cancel these services. The proposed bill would curtail these practices.

The bill also adds a much-needed notice requirement before a “free gift” or “free trial” period ends and the business begins charging a consumer for an automatic renewal service. Giving consumers such notice will help ensure that they know when and how much they will be charged, as well as provide a clear understanding of how to cancel.
[...]

[These] amendments to statute would add meaningful protections for California consumers, without placing a material burden upon legitimate businesses. In fact, some businesses already provide notice of one kind or another to consumers before charging

their credit cards. Unfortunately, nothing currently in the law makes this a requirement, and so many others do not.

9) **Prior legislation:** SB 313 (Hertzberg, Ch. 356, Stats. 2017) *see* Comment 4.

SB 1428 (Hernández, 2016) would have required a business to honor a consumer's request to cancel an automatic renewal or continuous service offer within 24 hours of receipt. The bill was referred to the Assembly Privacy and Consumer Protection Committee but was not taken up for a hearing.

AB 2867 (Gatto, 2016) would have required a cable, satellite or internet service provider that enables an individual to subscribe to its services online to cancel a subscription online as well. The bill reached the Assembly Floor but was not voted upon.

SB 340 (Ye), Ch. 350, Stats. 2009), *see* Comment 4.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County District Attorney's Office
California District Attorneys Association
California Low-Income Consumer Coalition
Consumer Federation of California

Opposition

Association of National Advertisers
California Chamber of Commerce
California Newspaper Publishers Association
California Retailers Association
Computing Technology Industry Association
Entertainment Software Association
International Health, Racquet & Sports Club Association
Internet Association
Internet Coalition
MPA - The Association of Magazine Media
NetChoice
State Privacy and Security Coalition
TechNet

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